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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001746

SIPDIS

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TAGS: PGOV PREL CH TW

SUBJECT: DPP CHAIR TSAI ING-WEN ON CHEN SHUI-BIAN AND PARTY POLITICS

Classified By: AIT Director Stephen M. Young, Reasons: 1.4 (b/d)

11. (C) Summary: Former President Chen Shui-bian should be "brave" and face Taiwan's judicial process, opposition DPP Chair Tsai Ing-wen told the Director on December 16. Balancing pressure from Chen's supporters to do more on his behalf with views of critics within the party of the former president Chen continues to pose a challenge, Tsai acknowledged. Also on Tsai's plate is the nomination of candidates for the December 2009 local elections, which she now expects to be completed in stages by late February. The continued anger of DPP supporters against President Ma Ying-jeou and his cross-Strait policies will likely spur another round of street protests in the spring, Tsai predicted. End Summary.

Chen Shui-bian Should Be "Brave," Face Judicial Process

- 12. (C) In a meeting with the Director on December 16, DPP Chair Tsai Ing-wen stressed that former President Chen Shui-bian, indicted for corruption on December 12 (ref A), needs to be "brave" and face the judicial process. Refraining from going into the details of the case, Tsai simply observed that Chen inherited and followed past practices that often went unchecked. Chen "probably did some things wrong," Tsai acknowledged, but his supporters remain sympathetic to the former president because they believe he is being mistreated. The prosecutors' Special Investigation Division is politicized, Tsai asserted, claiming that Chen's detention was approved by President Ma and that prosecutors were probably reporting to Ma on the case. Chen will continue to portray himself as a victim of judicial politics, Tsai predicted, noting that, from a technical legal point of view, Chen's case is "still defendable." Tsai claimed she has not communicated directly or indirectly with Chen since his November 12 detention and December 13 release.
- 13. (C) The DPP is still weak and "overpowered by Chen Shui-bian," Tsai observed. While she has stressed to party members that the DPP needs to move forward, she also had to acknowledge the wishes of supporters of Chen who do not want to see their former president left "in the dark."

Ultimately, though, it would be best for the party if Chen "stays quiet and refrains from stirring up his supporters." Asked whether other DPP leaders such as former VP Annette Lu, and former Premiers Frank Hsieh and Su Tseng-chang are presenting her with challenges, Tsai maintained she had things under control. "They are okay as long as I am clear on where I stand." However, DPP International Affairs Director Lin Chen-wei, who also attended the meeting, suggested that Lu is, indeed, a rival and would like to have Tsai's job. (Note: At least two of the former top party leaders are returning to the public scene. Hsieh is starting his own radio show, while Lu is raising funds to start a newspaper.)

Nominations For 2009 Local Elections Prove To Be Tough

14. (C) The DPP is in the midst of nominating candidates for the December 2009 local elections. The party has announced candidates for six jurisdictions, and Tsai expects the nomination process will be completed in stages by late February. (Note: The deadline has been pushed back at least twice. In the fall, Tsai told us she expected nominations to be completed by the end of 2008. Last month, International Affairs Director Lin Chen-wei suggested the process would be wrapped up by the end of January. This new, later deadline probably reflects the difficulty the party is experiencing in recruiting credible candidates for difficult races and in resolving competition between strong potential candidates in counties and cities where the DPP expects to win.)

TAIPEI 00001746 002 OF 002

15. (C) Tsai said the party will name some prominent figures to run in difficult districts. Taipei County will pose the toughest challenge for the DPP, she suggested, adding that both the DPP and KMT are having a hard time finding ideal candidates. The DPP now wants to wait to see who the KMT will nominate before making its selection, Tsai revealed. (Note: Current KMT Magistrate Chou Hsi-wei is unpopular, and it is not clear if the KMT will nominate him to run for reelection.) When the Director brought up rumors that Tsai herself might be a possible DPP candidate for Taipei County magistrate, Tsai neither confirmed nor denied the rumors but instead jokingly asked whether the Director would vote for her if she ran. Tsai believed Taichung would remain difficult for the DPP given the strong KMT presence.

Party Supporters Angry With Ma, More Protests Likely

- 16. (C) The DPP will likely return to the streets this spring as supporters remain angry with President Ma Ying-jeou and his cross-Strait policy, Tsai said. The November protests provided an outlet for DPP supporters to criticize Ma but, Tsai warned, things would get "noisy again" in March or April because it would be hard for her to keep the lid on their emotions for too long. Tsai again ruled out the possibility of dialogue with Ma, saying such talks would be "too risky" at this time. Half of the DPP "hate" Ma and do not want to see their leader engage him and she had personally "lost all" confidence in Ma after the mistreatment of protesters during the early November visit of the PRC's Chen Yunlin (ref B). If she could trust Ma, she might consider talking to him and would be able to justify the dialogue to party supporters.
- 17. (C) Responding to a comment on the launch of direct cross-Strait shipping and postal links on December 15 (ref C), Tsai complained that Ma is in such a "hurry to get closer and closer to China" that he is making political concessions without considering the social impact. Direct links will harm Taiwan's companies and consumers, she suggested, arguing that new "firewalls" need to be established to protect Taiwan against a flood of PRC goods that could put many local companies out of business. The economy will continue to be the main issue in Taiwan elections, she predicted, adding

that Ma's policies and unfulfilled campaign promises will cost him the presidential election in 2012.

Comment

18. (C) Though the challenges she faces remain formidable, Tsai struck us as less tense than in the immediate aftermath of Chen Yunlin's early November visit, punctuated as it was by sporadic street violence. She still has to steer a careful course between hardliners and moderates within the party. A newcomer herself to DPP politics, she must contend with a host of powerful politicians busy maneuvering for their own advantage. Although many commentators view Tsai as a transitional and relatively weak leader, she and her headquarters team have managed so far to hold the party together and give it a renewed sense of purpose during a very difficult period following election losses and the indictment of the former president. One test of her success will be the electability and ideological composition of the slate of local election candidates the DPP announces in February and the impact that has on party unity. SYOUNG